

HOUSE BILL No. 1343

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Property tax credit and deduction eligibility. With respect to real property, changes the deadline for filing for the homestead credit and individual property tax deductions from May 10 to September 15. Allows the credit and the deductions if the applicant owns real property or is purchasing the real property under contract as of September 1, or if the applicant owns a mobile home or manufactured home or is purchasing the mobile home or manufactured home under contract as of February 15. Makes conforming amendments.

Effective: Upon passage.

Burton

January 15, 2004, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

HOUSE BILL No. 1343

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12-1, AS AMENDED BY P.L.291-2001,
2 SECTION 129, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) **Subject to subsections**
4 **(d) and (e)**, each year a person who is a resident of this state may
5 receive a deduction from the assessed value of:

6 (1) mortgaged real property, an installment loan financed mobile
7 home that is not assessed as real property, or an installment loan
8 financed manufactured home that is not assessed as real property
9 that ~~he~~ **the person** owns; or

10 (2) real property, a mobile home that is not assessed as real
11 property, or a manufactured home that is not assessed as real
12 property that ~~he~~ **the person** is buying under a contract, with the
13 contract or a memorandum of the contract recorded in the county
14 recorder's office, which provides that ~~he~~ **the person** is to pay the
15 property taxes on the real property, mobile home, or manufactured
16 home.

17 (b) Except as provided in section 40.5 of this chapter, the total



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amount of the deduction which the person may receive under this section for a particular year is:

- (1) the balance of the mortgage or contract indebtedness on the assessment date of that year;
- (2) one-half (1/2) of the assessed value of the real property, mobile home, or manufactured home; or
- (3) three thousand dollars (\$3,000);

whichever is least.

(c) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract which provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(d) With respect to real property, a person may receive a deduction under subsection (a) only if the person:

- (1) owns the property as described in subsection (a)(1); or**
- (2) is buying the property under contract as described in subsection (a)(2);**

as of March 1, 2004, for the deduction for the 2004 assessment date, or as of September 1 of a later year for which the person wishes to receive the deduction.

(e) With respect to a mobile home or manufactured home not assessed as real property, a person may receive a deduction under subsection (a) only if the person:

- (1) owns the property as described in subsection (a)(1); or**
- (2) is buying the property under contract as described in subsection (a)(2);**

as of February 15 of the year for which the person wishes to receive the deduction.

SECTION 2. IC 6-1.1-12-2, AS AMENDED BY P.L.177-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in section 17.8 of this chapter, a person who desires to claim the deduction provided by section 1 of this chapter must file a statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home not assessed as real property, or manufactured home not assessed as real property is located. With respect to real property, the statement must be filed during the twelve (12) months before ~~May 1~~ **September 16** of each year for which the person wishes to obtain the deduction. With

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respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. In addition to the statement required by this subsection, a contract buyer who desires to claim the deduction must submit a copy of the recorded contract or recorded memorandum of the contract, which must contain a legal description sufficient to meet the requirements of IC 6-1.1-5, with the first statement that the buyer files under this section with respect to a particular parcel of real property. Upon receipt of the statement and the recorded contract or recorded memorandum of the contract, the county auditor shall assign a separate description and identification number to the parcel of real property being sold under the contract.

(b) The statement referred to in subsection (a) must be verified under penalties for perjury, and the statement must contain the following information:

- (1) The balance of the person's mortgage or contract indebtedness on the assessment date of the year for which the deduction is claimed.
- (2) The assessed value of the real property, mobile home, or manufactured home.
- (3) The full name and complete residence address of the person and of the mortgagee or contract seller.
- (4) The name and residence of any assignee or bona fide owner or holder of the mortgage or contract, if known, and if not known, the person shall state that fact.
- (5) The record number and page where the mortgage, contract, or memorandum of the contract is recorded.
- (6) A brief description of the real property, mobile home, or manufactured home which is encumbered by the mortgage or sold under the contract.
- (7) If the person is not the sole legal or equitable owner of the real property, mobile home, or manufactured home, the exact share of the person's interest in it.
- (8) The name of any other county in which the person has applied for a deduction under this section and the amount of deduction claimed in that application.

(c) The authority for signing a deduction application filed under this section may not be delegated by the real property, mobile home, or manufactured home owner or contract buyer to any person except upon

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an executed power of attorney. The power of attorney may be contained in the recorded mortgage, contract, or memorandum of the contract, or in a separate instrument.

SECTION 3. IC 6-1.1-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) An individual who satisfies the requirements of section 3 of this chapter may file a claim for a deduction, or deductions, provided by section 1 of this chapter during the twelve (12) months before ~~May 11~~ **September 16** of the year following the year in which he is discharged from military service. The individual shall file the claim, on the forms prescribed for claiming a deduction under section 2 of this chapter, with the auditor of the county in which the real property is located. The claim shall specify the particular year, or years, for which the deduction is claimed. The individual shall attach to the claim an affidavit which states the facts concerning the individual's absence as a member of the United States armed forces.

(b) The county property tax assessment board of appeals shall examine the individual's claim and shall determine the amount of deduction, or deductions, he is entitled to and the year, or years, for which deductions are due. Based on the board's determination, the county auditor shall calculate the excess taxes paid by the individual and shall refund the excess to the individual from funds not otherwise appropriated. The county auditor shall issue, and the county treasurer shall pay, a warrant for the amount, if any, to which the individual is entitled.

SECTION 4. IC 6-1.1-12-9, AS AMENDED BY P.L.272-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home or manufactured home which is not assessed as real property, if:

- (1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
 - (2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:
 - (A) the individual and the individual's spouse; or
 - (B) the individual and all other individuals with whom:
 - (i) the individual shares ownership; or
 - (ii) the individual is purchasing the property under a contract;
 as joint tenants or tenants in common;
- for the calendar year preceding the year in which the deduction is

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1 claimed did not exceed twenty-five thousand dollars (\$25,000);

2 (3) the individual: ~~has owned~~

3 **(A) owns the real property as of March 1, 2004, for the**
 4 **deduction for the 2004 assessment date, or as of September**
 5 **1 of a later year for which the individual wishes to receive**
 6 **the deduction;**

7 **(B) owns the mobile home or manufactured home for at least**
 8 **one (1) year before claiming as of February 15 of the year**
 9 **for which the individual wishes to receive the deduction; or**
 10 **the individual has been**

11 **(C) is buying the real property as of March 1, 2004, for the**
 12 **deduction for the 2004 assessment date, or as of September**
 13 **1 of a later year for which the individual wishes to receive**
 14 **the deduction mobile home, or manufactured home under a**
 15 **contract that:**

16 **(i) provides that the individual is to pay the property taxes**
 17 **on the real property; mobile home, or manufactured home**
 18 **for at least one (1) year before claiming the deduction; and**
 19 **the contract**

20 **(ii) is recorded, or a memorandum of the contract which is**
 21 **recorded, in the county recorder's office; or**

22 **(D) is buying the mobile home or manufactured home as of**
 23 **February 15 of the year for which the individual wishes to**
 24 **receive the deduction under a contract that:**

25 **(i) provides that the individual is to pay the property**
 26 **taxes on mobile home or manufactured home; and**

27 **(ii) is recorded, or a memorandum of which is recorded,**
 28 **in the county recorder's office;**

29 (4) the individual and any individuals covered by subdivision
 30 (2)(B) reside on the real property, mobile home, or manufactured
 31 home **as of the date referred to in subdivision (3);**

32 (5) the assessed value of the real property, mobile home, or
 33 manufactured home does not exceed one hundred forty-four
 34 thousand dollars (\$144,000); and

35 (6) the individual receives no other property tax deduction for the
 36 year in which the deduction is claimed, except the deductions
 37 provided by sections 1, 37, and 38 of this chapter.

38 (b) Except as provided in subsection (h), in the case of real property,
 39 an individual's deduction under this section equals the lesser of:

40 (1) one-half (1/2) of the assessed value of the real property; or

41 (2) six thousand dollars (\$6,000).

42 (c) Except as provided in subsection (h) and section 40.5 of this

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chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

- (1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or
- (2) six thousand dollars (\$6,000).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property, mobile home, or manufactured home while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

- (1) tenants by the entirety;
- (2) joint tenants; or
- (3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

- (1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
- (2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;
- (3) the surviving spouse has not remarried; and
- (4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 5. IC 6-1.1-12-10.1, AS AMENDED BY P.L.90-2002, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10.1. (a) Except as provided in

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section 17.8 of this chapter, an individual who desires to claim the deduction provided by section 9 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is located. With respect to real property, the statement must be filed during the twelve (12) months before ~~May 11~~ **September 16** of each year for which the individual wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed between January 15 and March 31, inclusive of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement referred to in subsection (a) shall be in affidavit form or require verification under penalties of perjury. The statement must be filed in duplicate if the applicant owns, or is buying under a contract, real property, a mobile home, or a manufactured home subject to assessment in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

- (1) the source and exact amount of gross income received by the individual and ~~his~~ **the individual's** spouse during the preceding calendar year;
- (2) the description and assessed value of the real property, mobile home, or manufactured home;
- (3) the individual's full name and ~~his~~ **the individual's** complete residence address;
- (4) the record number and page where the contract or memorandum of the contract is recorded if the individual is buying the real property, mobile home, or manufactured home on contract; and
- (5) any additional information which the department of local government finance may require.

(c) In order to substantiate ~~his~~ **the applicant's** deduction statement, the applicant shall submit for inspection by the county auditor a copy of ~~his~~ **the applicant's** and a copy of ~~his~~ **the applicant's** spouse's income tax returns for the preceding calendar year. If either was not required to file an income tax return, the applicant shall subscribe to that fact in the deduction statement.

SECTION 6. IC 6-1.1-12-11, AS AMENDED BY P.L.291-2001, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except as provided in

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section 40.5 of this chapter **and subject to subsections (h) and (i)**, an individual may have the sum of six thousand dollars (\$6,000) deducted from the assessed value of real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns, or that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

- (1) the individual is blind or the individual is a disabled person;
- (2) the real property, mobile home, or manufactured home is principally used and occupied by the individual as the individual's residence **as of the date referred to in subsection (h) or (i)**; and
- (3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars (\$17,000).

(b) For purposes of this section, taxable gross income does not include income which is not taxed under the federal income tax laws.

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "disabled person" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

- (1) can be expected to result in death; or
- (2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) Disabled persons filing claims under this section shall submit proof of disability in such form and manner as the department shall by rule prescribe. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) A disabled person not covered under the federal Social Security Act shall be examined by a physician and the individual's status as a disabled person determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

(g) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or

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1 manufactured home.

2 **(h) With respect to real property, an individual may receive a**
 3 **deduction under subsection (a) only if the individual:**

4 **(1) owns the property; or**

5 **(2) is buying the property under contract;**
 6 **as described in subsection (a) as of March 1, 2004, for the**
 7 **deduction for the 2004 assessment date, or as of September 1 of a**
 8 **later year for which the individual wishes to receive the deduction.**

9 **(i) With respect to a mobile home or manufactured home not**
 10 **assessed as real property, an individual may receive a deduction**
 11 **under subsection (a) only if the individual:**

12 **(1) owns the property; or**

13 **(2) is buying the property under contract;**
 14 **as described in subsection (a) as of February 15 of the year for**
 15 **which the individual wishes to receive the deduction.**

16 SECTION 7. IC 6-1.1-12-12, AS AMENDED BY P.L.177-2002,
 17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 12. (a) Except as provided in section 17.8 of
 19 this chapter, a person who desires to claim the deduction provided in
 20 section 11 of this chapter must file an application, on forms prescribed
 21 by the department of local government finance, with the auditor of the
 22 county in which the real property, mobile home not assessed as real
 23 property, or manufactured home not assessed as real property is
 24 located. With respect to real property, the application must be filed
 25 during the twelve (12) months before ~~May 1~~ **September 16** of each
 26 year for which the individual wishes to obtain the deduction. With
 27 respect to a mobile home that is not assessed as real property or a
 28 manufactured home that is not assessed as real property, the application
 29 must be filed during the twelve (12) months before March 2 of each
 30 year for which the individual wishes to obtain the deduction. The
 31 application may be filed in person or by mail. If mailed, the mailing
 32 must be postmarked on or before the last day for filing.

33 **(b) Proof of blindness may be supported by:**

34 **(1) the records of a county office of family and children, the**
 35 **division of family and children, or the division of disability,**
 36 **aging, and rehabilitative services; or**

37 **(2) the written statement of a physician who is licensed by this**
 38 **state and skilled in the diseases of the eye or of a licensed**
 39 **optometrist.**

40 **(c) The application required by this section must contain the record**
 41 **number and page where the contract or memorandum of the contract**
 42 **is recorded if the individual is buying the real property, mobile home,**

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1 or manufactured home on a contract that provides that ~~he~~ **the**
 2 **individual** is to pay property taxes on the real property, mobile home,
 3 or manufactured home.

4 SECTION 8. IC 6-1.1-12-13, AS AMENDED BY P.L.291-2001,
 5 SECTION 135, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) Except as provided in
 7 section 40.5 of this chapter **and subject to subsections (e) and (f)**, an
 8 individual may have twelve thousand dollars (\$12,000) deducted from
 9 the assessed value of the taxable tangible property that the individual
 10 owns, or real property, a mobile home not assessed as real property, or
 11 a manufactured home not assessed as real property that the individual
 12 is buying under a contract that provides that the individual is to pay
 13 property taxes on the real property, mobile home, or manufactured
 14 home, if the contract or a memorandum of the contract is recorded in
 15 the county recorder's office and if:

16 (1) the individual served in the military or naval forces of the
 17 United States during any of its wars;

18 (2) the individual received an honorable discharge;

19 (3) the individual is disabled with a service connected disability
 20 of ten percent (10%) or more; and

21 (4) the individual's disability is evidenced by:

22 (A) a pension certificate, an award of compensation, or a
 23 disability compensation check issued by the United States
 24 Department of Veterans Affairs; or

25 (B) a certificate of eligibility issued to the individual by the
 26 Indiana department of veterans' affairs after the Indiana
 27 department of veterans' affairs has determined that the
 28 individual's disability qualifies the individual to receive a
 29 deduction under this section.

30 (b) The surviving spouse of an individual may receive the deduction
 31 provided by this section if the individual would qualify for the
 32 deduction if the individual were alive.

33 (c) One who receives the deduction provided by this section may not
 34 receive the deduction provided by section 16 of this chapter. However,
 35 the individual may receive any other property tax deduction which the
 36 individual is entitled to by law.

37 (d) An individual who has sold real property, a mobile home not
 38 assessed as real property, or a manufactured home not assessed as real
 39 property to another person under a contract that provides that the
 40 contract buyer is to pay the property taxes on the real property, mobile
 41 home, or manufactured home may not claim the deduction provided
 42 under this section against that real property, mobile home, or

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1 manufactured home.

2 **(e) With respect to real property, an individual may receive a**
 3 **deduction under subsection (a) only if the individual:**

4 **(1) owns the property; or**

5 **(2) is buying the property under contract;**
 6 **as described in subsection (a) as of March 1, 2004, for the**
 7 **deduction for the 2004 assessment date, or as of September 1 of a**
 8 **later year for which the individual wishes to receive the deduction.**

9 **(f) With respect to a mobile home or manufactured home not**
 10 **assessed as real property, an individual may receive a deduction**
 11 **under subsection (a) only if the individual:**

12 **(1) owns the property; or**

13 **(2) is buying the property under contract;**
 14 **as described in subsection (a) as of February 15 of the year for**
 15 **which the individual wishes to receive the deduction.**

16 SECTION 9. IC 6-1.1-12-14, AS AMENDED BY P.L.272-2003,
 17 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c)
 19 and ~~except as provided in~~ section 40.5 of this chapter, **and subject to**
 20 **subsections (e) and (f),** an individual may have the sum of six
 21 thousand dollars (\$6,000) deducted from the assessed value of the
 22 tangible property that the individual owns (or the real property, mobile
 23 home not assessed as real property, or manufactured home not assessed
 24 as real property that the individual is buying under a contract that
 25 provides that the individual is to pay property taxes on the real
 26 property, mobile home, or manufactured home if the contract or a
 27 memorandum of the contract is recorded in the county recorder's office)
 28 if:

29 (1) the individual served in the military or naval forces of the
 30 United States for at least ninety (90) days;

31 (2) the individual received an honorable discharge;

32 (3) the individual either:

33 (A) is totally disabled; or

34 (B) is at least sixty-two (62) years old and has a disability of at
 35 least ten percent (10%); and

36 (4) the individual's disability is evidenced by:

37 (A) a pension certificate or an award of compensation issued
 38 by the United States Department of Veterans Affairs; or

39 (B) a certificate of eligibility issued to the individual by the
 40 Indiana department of veterans' affairs after the Indiana
 41 department of veterans' affairs has determined that the
 42 individual's disability qualifies the individual to receive a

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1 deduction under this section.

2 (b) Except as provided in subsection (c), the surviving spouse of an
3 individual may receive the deduction provided by this section if the
4 individual would qualify for the deduction if the individual were alive.

5 (c) No one is entitled to the deduction provided by this section if the
6 assessed value of the individual's tangible property, as shown by the tax
7 duplicate, exceeds one hundred thirteen thousand dollars (\$113,000).

8 (d) An individual who has sold real property, a mobile home not
9 assessed as real property, or a manufactured home not assessed as real
10 property to another person under a contract that provides that the
11 contract buyer is to pay the property taxes on the real property, mobile
12 home, or manufactured home may not claim the deduction provided
13 under this section against that real property, mobile home, or
14 manufactured home.

15 **(e) With respect to real property, an individual may receive a**
16 **deduction under subsection (a) only if the individual:**

17 **(1) owns the property; or**

18 **(2) is buying the property under contract;**

19 **as described in subsection (a) as of March 1, 2004, for the**
20 **deduction for the 2004 assessment date, or as of September 1 of a**
21 **later year for which the individual wishes to receive the deduction.**

22 **(f) With respect to a mobile home or manufactured home not**
23 **assessed as real property, an individual may receive a deduction**
24 **under subsection (a) only if the individual:**

25 **(1) owns the property; or**

26 **(2) is buying the property under contract;**

27 **as described in subsection (a) as of February 15 of the year for**
28 **which the individual wishes to receive the deduction.**

29 SECTION 10. IC 6-1.1-12-15, AS AMENDED BY P.L.177-2002,
30 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31 UPON PASSAGE]: Sec. 15. (a) Except as provided in section 17.8 of
32 this chapter, an individual who desires to claim the deduction provided
33 by section 13 or section 14 of this chapter must file a statement with
34 the auditor of the county in which the individual resides. With respect
35 to real property, the statement must be filed during the twelve (12)
36 months before ~~May 1~~ **September 16** of each year for which the
37 individual wishes to obtain the deduction. With respect to a mobile
38 home that is not assessed as real property or a manufactured home that
39 is not assessed as real property, the statement must be filed during the
40 twelve (12) months before March 2 of each year for which the
41 individual wishes to obtain the deduction. The statement may be filed
42 in person or by mail. If mailed, the mailing must be postmarked on or

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before the last day for filing. The statement shall contain a sworn declaration that the individual is entitled to the deduction.

(b) In addition to the statement, the individual shall submit to the county auditor for the auditor's inspection:

(1) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 13 of this chapter;

(2) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or

(3) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section.

(d) If the individual claiming a deduction under section 13 or 14 of this chapter is buying real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property under a contract that provides that the individual is to pay property taxes for the real estate, mobile home, or manufactured home, the statement required by this section must contain the record number and page where the contract or memorandum of the contract is recorded.

SECTION 11. IC 6-1.1-12-16, AS AMENDED BY P.L.291-2001, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Except as provided in section 40.5 of this chapter **and subject to subsections (d) and (e)**, a surviving spouse may have the sum of nine thousand dollars (\$9,000) deducted from the assessed value of his or her tangible property, or real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the surviving spouse is buying under a contract that provides that ~~he~~ **the surviving spouse** is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

(1) the deceased spouse served in the military or naval forces of the United States before November 12, 1918; and

(2) the deceased spouse received an honorable discharge.

(b) A surviving spouse who receives the deduction provided by this section may not receive the deduction provided by section 13 of this chapter. However, he or she may receive any other deduction which he or she is entitled to by law.

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(c) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

(d) With respect to real property, a surviving spouse may receive a deduction under subsection (a) only if the individual:

(1) owns the property; or

(2) is buying the property under contract;

as described in subsection (a) as of March 1, 2004, for the deduction for the 2004 assessment date, or as of September 1 of a later year for which the individual wishes to receive the deduction.

(e) With respect to a mobile home or manufactured home not assessed as real property, a surviving spouse may receive a deduction under subsection (a) only if the individual:

(1) owns the property; or

(2) is buying the property under contract;

as described in subsection (a) as of February 15 of the year for which the individual wishes to receive the deduction.

SECTION 12. IC 6-1.1-12-17, AS AMENDED BY P.L.177-2002, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. Except as provided in section 17.8 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. With respect to real property, the statement must be filed during the twelve (12) months before ~~May 1~~ **September 16** of each year for which the surviving spouse wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain:

(1) a sworn statement that the surviving spouse is entitled to the deduction; and

(2) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property on a contract that provides that the individual is to pay property taxes on the real property.

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In addition to the statement, the surviving spouse shall submit to the county auditor for the auditor's inspection a letter or certificate from the United States Department of Veterans Affairs establishing the service of the deceased spouse in the military or naval forces of the United States before November 12, 1918.

SECTION 13. IC 6-1.1-12-17.4, AS AMENDED BY P.L.272-2003, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.4. (a) Except as provided in section 40.5 of this chapter, a World War I veteran who is a resident of Indiana is entitled to have the sum of nine thousand dollars (\$9,000) deducted from the assessed valuation of the real property (including a mobile home that is assessed as real property), mobile home that is not assessed as real property, or manufactured home that is not assessed as real property the veteran owns or is buying under a contract that requires the veteran to pay property taxes on the real property, if the contract or a memorandum of the contract is recorded in the county recorder's office, if:

(1) the real property, mobile home, or manufactured home is the veteran's principal residence **as of the date referred to in subdivision (3);**

(2) the assessed valuation of the real property, mobile home, or manufactured home does not exceed one hundred sixty-three thousand dollars (\$163,000); and

(3) the veteran:

(A) owns the real property **as of March 1, 2004, for the deduction for the 2004 assessment date, or as of September 1 of a later year for which the person wishes to receive the deduction; or**

(B) **owns the mobile home or manufactured home for at least one (1) year before claiming the deduction: as of February 15 of the year for which the person wishes to receive the deduction.**

(b) An individual may not be denied the deduction provided by this section because the individual is absent from the individual's principal residence while in a nursing home or hospital.

(c) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by a husband and wife as tenants by the entirety, only one (1) deduction may be allowed under this section. However, the deduction provided in this section applies if either spouse satisfies the requirements prescribed in subsection (a).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real

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property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 14. IC 6-1.1-12-17.5, AS AMENDED BY P.L.177-2002, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.5. (a) Except as provided in section 17.8 of this chapter, a veteran who desires to claim the deduction provided in section 17.4 of this chapter must file a sworn statement, on forms prescribed by the department of local government finance, with the auditor of the county in which the real property, mobile home, or manufactured home is assessed. With respect to real property, the veteran must file the statement during the twelve (12) months before ~~May 1~~ **September 16** of each year for which the veteran wishes to obtain the deduction. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of each year for which the individual wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing.

(b) The statement required under this section shall be in affidavit form or require verification under penalties of perjury. The statement shall be filed in duplicate if the veteran has, or is buying under a contract, real property in more than one (1) county or in more than one (1) taxing district in the same county. The statement shall contain:

- (1) a description and the assessed value of the real property, mobile home, or manufactured home;
- (2) the veteran's full name and complete residence address;
- (3) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home; and
- (4) any additional information which the department of local government finance may require.

SECTION 15. IC 6-1.1-17-1, AS AMENDED BY P.L.90-2002, SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) ~~On or~~ **Before August 1** of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of

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each political subdivision of the county and the department of local government finance. The statement shall contain:

(1) information concerning the assessed valuation in the political subdivision for the next calendar year;

(2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;

(3) the current assessed valuation as shown on the abstract of charges;

(4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, excluding years in which a general reassessment occurs, determined according to procedures established by the department of local government finance; and

(5) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's ~~statement~~ **certified statements under subsections (a) and (d)** to the proper officers of the political subdivision.

(d) Before October 15 of each year, the county auditor shall:

(1) update the certified statement referred to in subsection (a) to reflect:

(A) credits under IC 6-1.1-20.9 for which credit applications are filed in the current year;

(B) deductions under IC 6-1.1-12 for which the deduction application deadline is September 1 of the current year; and

(C) deductions under IC 6-1.1-12-37 that result from the application of the credits referred to in clause (A); and

(2) send the statement:

(A) in the same manner required; and

(B) to the same distributees identified;

in subsection (a).

SECTION 16. IC 6-1.1-17-16, AS AMENDED BY P.L.256-2003, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 UPON PASSAGE]: Sec. 16. (a) Subject to the limitations and
 2 requirements prescribed in this section, the department of local
 3 government finance may revise, reduce, or increase a political
 4 subdivision's budget, tax rate, or tax levy which the department reviews
 5 under section 8 or 10 of this chapter.

6 (b) Subject to the limitations and requirements prescribed in this
 7 section, the department of local government finance may review,
 8 revise, reduce, or increase the budget, tax rate, or tax levy of any of the
 9 political subdivisions whose tax rates compose the aggregate tax rate
 10 within a political subdivision whose budget, tax rate, or tax levy is the
 11 subject of an appeal initiated under this chapter.

12 (c) Except as provided in subsection (j), before the department of
 13 local government finance reviews, revises, reduces, or increases a
 14 political subdivision's budget, tax rate, or tax levy under this section,
 15 the department must hold a public hearing on the budget, tax rate, and
 16 tax levy. The department of local government finance shall hold the
 17 hearing in the county in which the political subdivision is located. The
 18 department of local government finance may consider the budgets, tax
 19 rates, and tax levies of several political subdivisions at the same public
 20 hearing. At least five (5) days before the date fixed for a public hearing,
 21 the department of local government finance shall give notice of the
 22 time and place of the hearing and of the budgets, levies, and tax rates
 23 to be considered at the hearing. The department of local government
 24 finance shall publish the notice in two (2) newspapers of general
 25 circulation published in the county. However, if only one (1)
 26 newspaper of general circulation is published in the county, the
 27 department of local government finance shall publish the notice in that
 28 newspaper.

29 (d) Except as provided in subsection (i), IC 6-1.1-19, or
 30 IC 6-1.1-18.5, the department of local government finance may not
 31 increase a political subdivision's budget, tax rate, or tax levy to an
 32 amount which exceeds the amount originally fixed by the political
 33 subdivision. The department of local government finance shall give the
 34 political subdivision written notification specifying any revision,
 35 reduction, or increase the department proposes in a political
 36 subdivision's tax levy or tax rate. The political subdivision has one (1)
 37 week from the date the political subdivision receives the notice to
 38 provide a written response to the department of local government
 39 finance's Indianapolis office specifying how to make the required
 40 reductions in the amount budgeted for each office or department. The
 41 department of local government finance shall make reductions as
 42 specified in the political subdivision's response if the response is

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provided as required by this subsection and sufficiently specifies all necessary reductions. The department of local government finance may make a revision, a reduction, or an increase in a political subdivision's budget only in the total amounts budgeted for each office or department within each of the major budget classifications prescribed by the state board of accounts.

(e) The department of local government finance may not approve a levy for lease payments by a city, town, county, library, or school corporation if the lease payments are payable to a building corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

(f) The department of local government finance shall certify its action to:

- (1) the county auditor; and
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision.

(g) The following may petition for judicial review of the final determination of the department of local government finance under subsection (f):

- (1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.
- (2) If the department acts under an appeal initiated by taxpayers under section 13 of this chapter, a taxpayer who signed the petition under that section.
- (3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection (f).

(h) The department of local government finance is expressly directed to:

- (1) use the information in the certified statement received from the county auditor under section 1(d) of this chapter as the basis for the department's action with respect to a tax rate under this section; and**
- (2) complete the duties assigned to it under this section not later than February 15th of each year for taxes to be collected during that year.**

(i) Subject to the provisions of all applicable statutes, the department of local government finance may increase a political

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subdivision's tax levy to an amount that exceeds the amount originally fixed by the political subdivision if the increase is:

(1) requested in writing by the officers of the political subdivision;

(2) either:

(A) based on information first obtained by the political subdivision after the public hearing under section 3 of this chapter; or

(B) results from an inadvertent mathematical error made in determining the levy; and

(3) published by the political subdivision according to a notice provided by the department.

(j) The department of local government finance shall annually review the budget of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget. A public hearing is not required in connection with this review of the budget.

SECTION 17. IC 6-1.1-20.9-2, AS AMENDED BY P.L.192-2002(ss), SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who:

(1) on March 1, 2004, or September 1 of a particular later year: either

(A) owns; or

(B) is buying a homestead under a contract that provides the individual is to pay the property taxes on; ~~the~~

a homestead that includes a dwelling referred to in section 1(1)(A) of this chapter; or

(2) on February 15 of a particular year;

(A) owns; or

(B) is buying under a contract that provides the individual is to pay the property taxes on;

a homestead that includes a dwelling referred to in section 1(1)(B) or 1(1)(C) of this chapter;

is entitled each calendar year to a credit against the property taxes ~~which~~ **that** the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

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(1) the percentage prescribed in subsection (d); multiplied by
 (2) the amount of the individual's property tax liability, as that
 term is defined in IC 6-1.1-21-5, which is:

(A) attributable to the homestead during the particular
 calendar year; and

(B) determined after the application of the property tax
 replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property
 tax liability that is attributable to the individual's homestead, all
 deductions from assessed valuation which the individual claims under
 IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's
 homestead is located must be applied first against the assessed value
 of the individual's homestead before those deductions are applied
 against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as
 follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under
 IC 6-1.1-21-10, in its sole discretion, may increase the percentage of
 the credit provided in the schedule for any year, if the board feels that
 the property tax replacement fund contains enough money for the
 resulting increased distribution. If the board increases the percentage
 of the credit provided in the schedule for any year, the percentage of
 the credit for the immediately following year is the percentage provided
 in the schedule for that particular year, unless as provided in this
 subsection the board in its discretion increases the percentage of the
 credit provided in the schedule for that particular year. However, the
 percentage credit allowed in a particular county for a particular year
 shall be increased if on January 1 of a year an ordinance adopted by a
 county income tax council was in effect in the county which increased
 the homestead credit. The amount of the increase equals the amount
 designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to
 the county auditor the amount of the assessed valuation of each
 homestead for which a homestead credit has been properly filed under
 this chapter.

(f) The county auditor shall apply the credit equally to each

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installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 18. IC 6-1.1-20.9-3, AS AMENDED BY P.L.177-2002, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) An individual who desires to claim the credit provided by section 2 of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement shall include the parcel number or key number of the real estate and the name of the city, town, or township in which the real estate is located. With respect to real property, the statement must be filed during the twelve (12) months before ~~May 1~~ **September 16** of the year prior to the first year for which the person wishes to obtain the credit for the homestead. With respect to a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property, the statement must be filed during the twelve (12) months before March 2 of the first year for which the individual wishes to obtain the credit. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the credit is allowed.

(b) The certified statement referred to in subsection (a) shall contain the name of any other county and township in which the individual owns or is buying real property.

(c) If an individual who is receiving the credit provided by this chapter changes the use of the individual's real property, so that part or all of that real property no longer qualifies for the homestead credit provided by this chapter, the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of

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1 use within sixty (60) days after the date of that change. An individual
 2 who changes the use of the individual's real property and fails to file
 3 the statement required by this subsection is liable for the amount of the
 4 credit ~~to~~ **the individual** was allowed under this chapter for that real
 5 property.

6 (d) An individual who receives the credit provided by section 2 of
 7 this chapter for property that is jointly held with another owner in a
 8 particular year and remains eligible for the credit in the following year
 9 is not required to file a statement to reapply for the credit following the
 10 removal of the joint owner if:

11 (1) the individual is the sole owner of the property following the
 12 death of the individual's spouse;

13 (2) the individual is the sole owner of the property following the
 14 death of a joint owner who was not the individual's spouse; or

15 (3) the individual is awarded sole ownership of property in a
 16 divorce decree.

17 SECTION 19. [EFFECTIVE UPON PASSAGE] **This act applies**
 18 **only to property taxes first due and payable after December 31,**
 19 **2004.**

20 SECTION 20. **An emergency is declared for this act.**

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